



September 19, 2001

State of Utah
Division of Oil, Gas & Mining
Attn: Brad Hill
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill: 10-26-8-17, 11-26-8-17, 12-26-8-17, and
13-26-8-17.

Dear Brad:

Enclosed find APD's on the above referenced wells. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mandie Crozier
Permit Clerk

mc
enclosures

RECEIVED

SEP 20 2001

DIVISION OF
OIL, GAS AND MINING

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			5. LEASE DESIGNATION AND SERIAL NO. UTU-76241	
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			7. UNIT AGREEMENT NAME Greater Boundary	
1b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. FARM OR LEASE NAME WELL NO. 13-26-8-17	
2. NAME OF OPERATOR Inland Production Company			9. API WELL NO.	
3. ADDRESS OF OPERATOR Route #3 Box 3630, Myton, UT 84052 Phone: (435) 646-3721			10. FIELD AND POOL OR WILDCAT Monument Butte	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface SW/SW 660' FWL 660' FSL 4437314 N At proposed Prod. Zone 586940 E			11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA SW/SW Sec. 26, T8S, R17E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 16.5 miles southeast of Myton, Utah			12. County Duchesne	13. STATE UT
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE. FT. (Also to Approx. 660' f/lse line & 660' f/unit line		16. NO. OF ACRES IN LEASE 1,920.00	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL. DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE. FT. Approx. 1,667'		19. PROPOSED DEPTH 6500'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5023.7' GR			22. APPROX. DATE WORK WILL START* 4th Quarter 2001	
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
Refer to Monument Butte Field SOP's Drilling Program/Casing Design				

Inland Production Company proposes to drill this well in accordance with the attached exhibits.

The Conditions of Approval are also attached.

Federal Approval of this Action is Necessary

RECEIVED

SEP 20 2001

**DIVISION OF
OIL, GAS AND MINING**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Mandi Cox* TITLE Permit Clerk DATE 9-19-01

(This space for Federal or State office use)

PERMIT NO. 43-013-32307 APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Bradley G. Hill* TITLE **BRADLEY G. HILL** DATE 10-01-01
RECLAMATION SPECIALIST III

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Greater Boundary 13-26-8-17

API Number:

Lease Number: UTU-76241

GENERAL

Access well location from the southwest, off the access road for the proposed 1-34-8-17 well location.

CULTURAL RESOURCES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

PALEONTOLOGICAL RESOURCES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

SOILS, WATERSHEDS, AND FLOODPLAINS

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

WILDLIFE AND FISHERIES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

TREATENED, ENDAGERED, AND OTHER SENSITIVE SPECIES

See *CONDITIONS OF APPROVAL FOR INLAND RESOURCES MONUMENT BUTTE-MYTON BENCH WATERFLOOD ENVIRONMENTAL ASSESSMENT DUCHESNE AND UINTAH COUNTIES, UTAH EA NUMBER 1996-61.*

OTHER

Installation of the surface gas pipeline and any subsequent buried gas or water pipelines will follow the conditions of approval outlined above.

Except as specified in the APD, the installation of the surface gas line and any subsequent buried pipelines will follow the edge of the existing roadways without interfering with the normal travel and maintenance of the roadway.

The installation of any buried pipelines will disturb as little surface as possible and will not exceed 60 feet in width. Reclamation of the water line area will be completed within 10 days after installation. The surface will be recontoured to natural or near natural contours. Reseeding will be with the same seed mixture specified for reclamation of the well site. The interface of the buried line disturbance area and the edge of any adjacent access roads will be constructed with a borrow ditch and road berm to minimize vehicular travel along the water line route.

**INLAND PRODUCTION COMPANY
GREATER BOUNDARY #13-26-8-17
SW/SW SECTION 26, T8S, R17E
DUCHESNE COUNTY, UTAH**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta	0' – 1640'
Green River	1640'
Wasatch	6500'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Green River Formation 1640' – 6500' - Oil

4. PROPOSED CASING PROGRAM

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

Please refer to the Monument Butte Field SOP.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Please refer to the Monument Butte Field SOP.

8. TESTING, LOGGING AND CORING PROGRAMS:

Please refer to the Monument Butte Field SOP.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated maximum bottom hole pressure is 2000 psi. It is not anticipated that abnormal temperatures will be encountered.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

Please refer to the Monument Butte Field SOP.

**INLAND PRODUCTION COMPANY
GREATER BOUNDARY #13-26-8-17
SW/SW SECTION 26, T8S, R17E
DUCHESNE COUNTY, UTAH**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site Greater Boundary # 13-26-8-17 located in the SW 1/4 SW 1/4 Section 26, T8S, R17E, Duchesne County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles ± to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 9.1 miles ± to its junction with an existing dirt road; proceed southeasterly - 5.5 miles ± to its junction with the beginning of the proposed access road to the 1-34; proceed northeasterly along the proposed access road - 0.3 miles ± to the proposed well location.

2. PLANNED ACCESS ROAD

See Topographic Map "B" for the location of the proposed access road.

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

5. LOCATION AND TYPE OF WATER SUPPLY

Please refer to the Monument Butte Field SOP. See Exhibit "A".

6. SOURCE OF CONSTRUCTION MATERIALS

Please refer to the Monument Butte Field SOP.

7. METHODS FOR HANDLING WASTE DISPOSAL

Please refer to the Monument Butte Field SOP.

8. ANCILLARY FACILITIES

Please refer to the Monument Butte Field SOP.

9. **WELL SITE LAYOUT**

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

10. **PLANS FOR RESTORATION OF SURFACE**

Please refer to the Monument Butte Field SOP.

11. **SURFACE OWNERSHIP** - Bureau Of Land Management

12. **OTHER ADDITIONAL INFORMATION**

The Paleontological Resource Survey and Archaeological Resource Survey for this area are attached.

Inland Production Company requests a 60' ROW for the Greater Boundary #13-26-8-17 to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line. Both lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."**

Inland Production Company also requests a 60' ROW be granted for the Greater Boundary #13-26-8-17 to allow for construction of a 3" steel water injection line and a 3" poly water return line. **Refer to Topographic Map "C."**

13. **LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION**

Representative

Name: Mandie Crozier
Address: Route #3 Box 3630
Myton, UT 84052
Telephone: (435) 646-3721

Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of well #13-26-8-17 SW/SW Section 26, Township 8S, Range 17E: Lease UTU-76241 Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

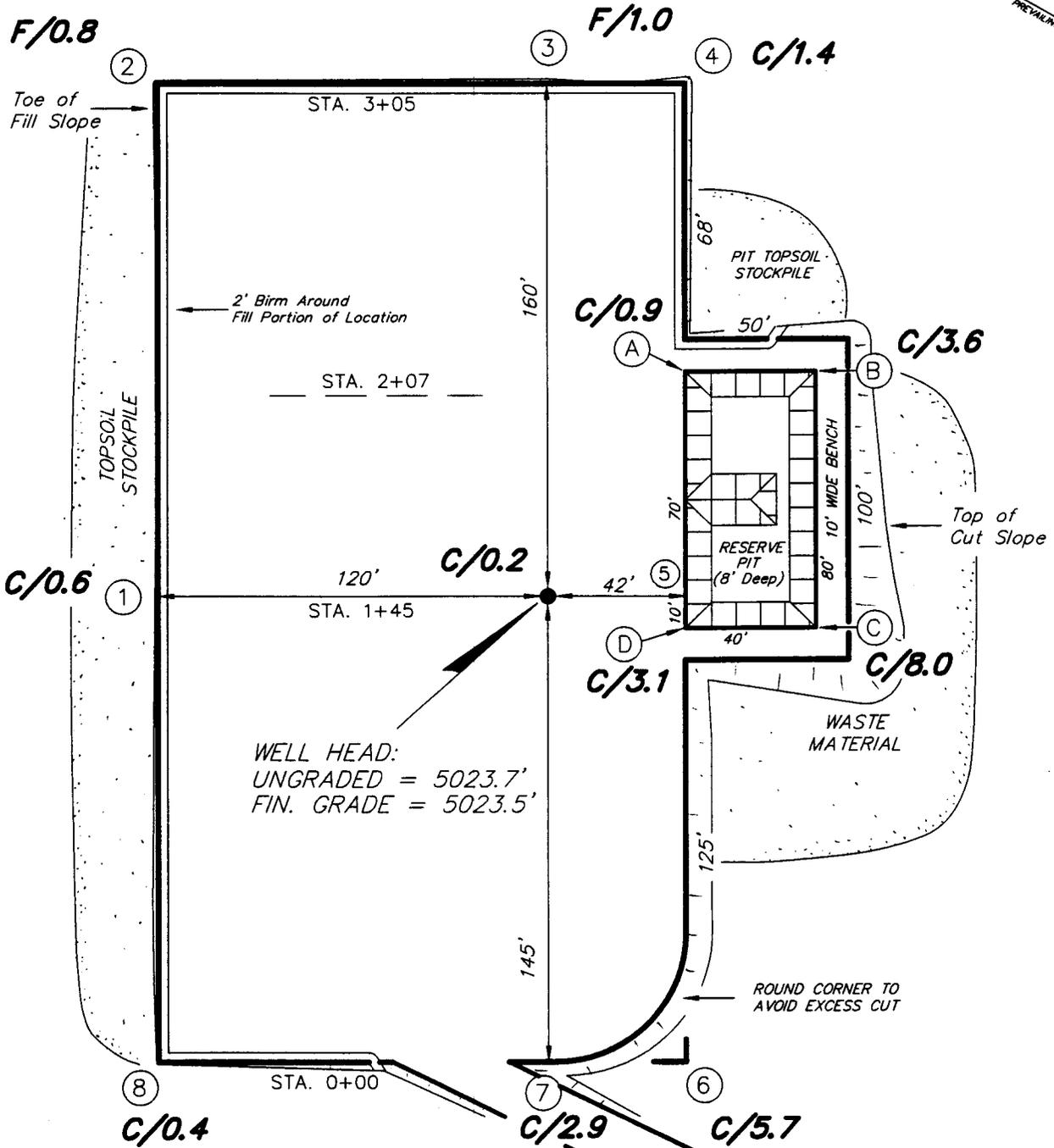
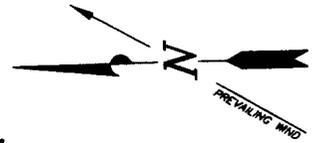
9-19-01
Date

Mandie Crozier
Mandie Crozier
Permit Clerk

INLAND PRODUCTION COMPANY

GREATER BOUNDARY UNIT #13-26-8-17

SEC. 26, T8S, R17E, S.L.B.&M.



WELL HEAD:
UNGRADED = 5023.7'
FIN. GRADE = 5023.5'

REFERENCE POINTS

210' EAST	= 5025.2'
260' EAST	= 5029.4'
170' NORTH	= 5022.7'
220' NORTH	= 5022.9'

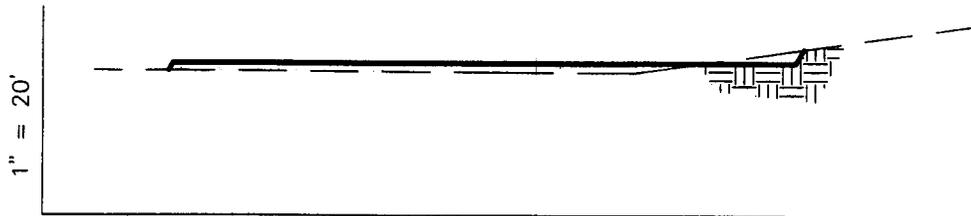
SURVEYED BY: D.J.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 7-26-01

Tri State (435) 781-2501
 Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY

CROSS SECTIONS

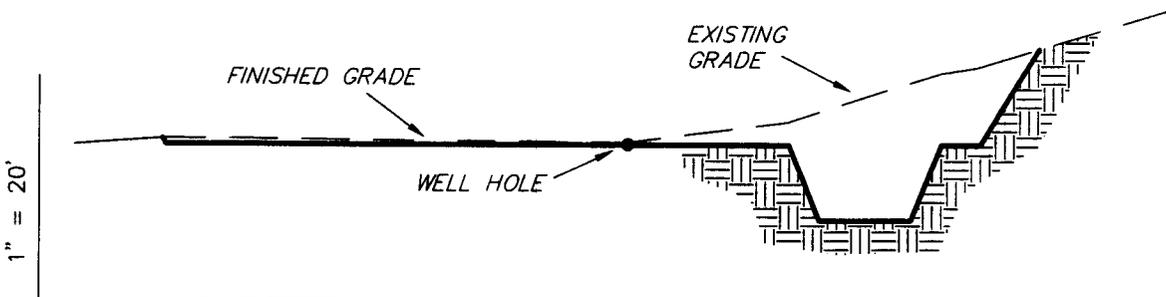
GREATER BOUNDARY UNIT #13-26-8-17



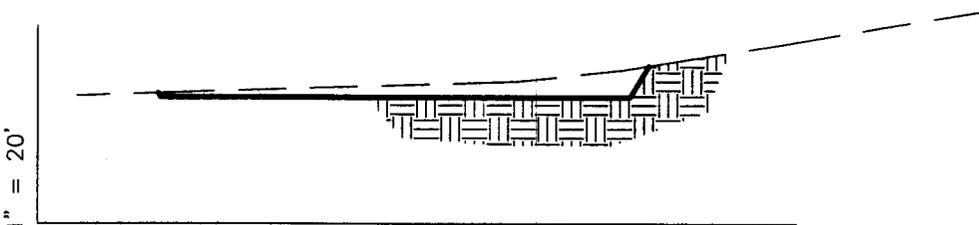
1" = 20'
1" = 50' STA. 3+05



1" = 20'
1" = 50' STA. 2+07



1" = 20'
1" = 50' STA. 1+45



1" = 20'
1" = 50' STA. 0+00

APPROXIMATE YARDAGES

CUT = 1,970 Cu. Yds.

FILL = 760 Cu. Yds.

PIT = 640 Cu. Yds.

6" TOPSOIL = 1,010 Cu. Yds.

SURVEYED BY: D.J.S.

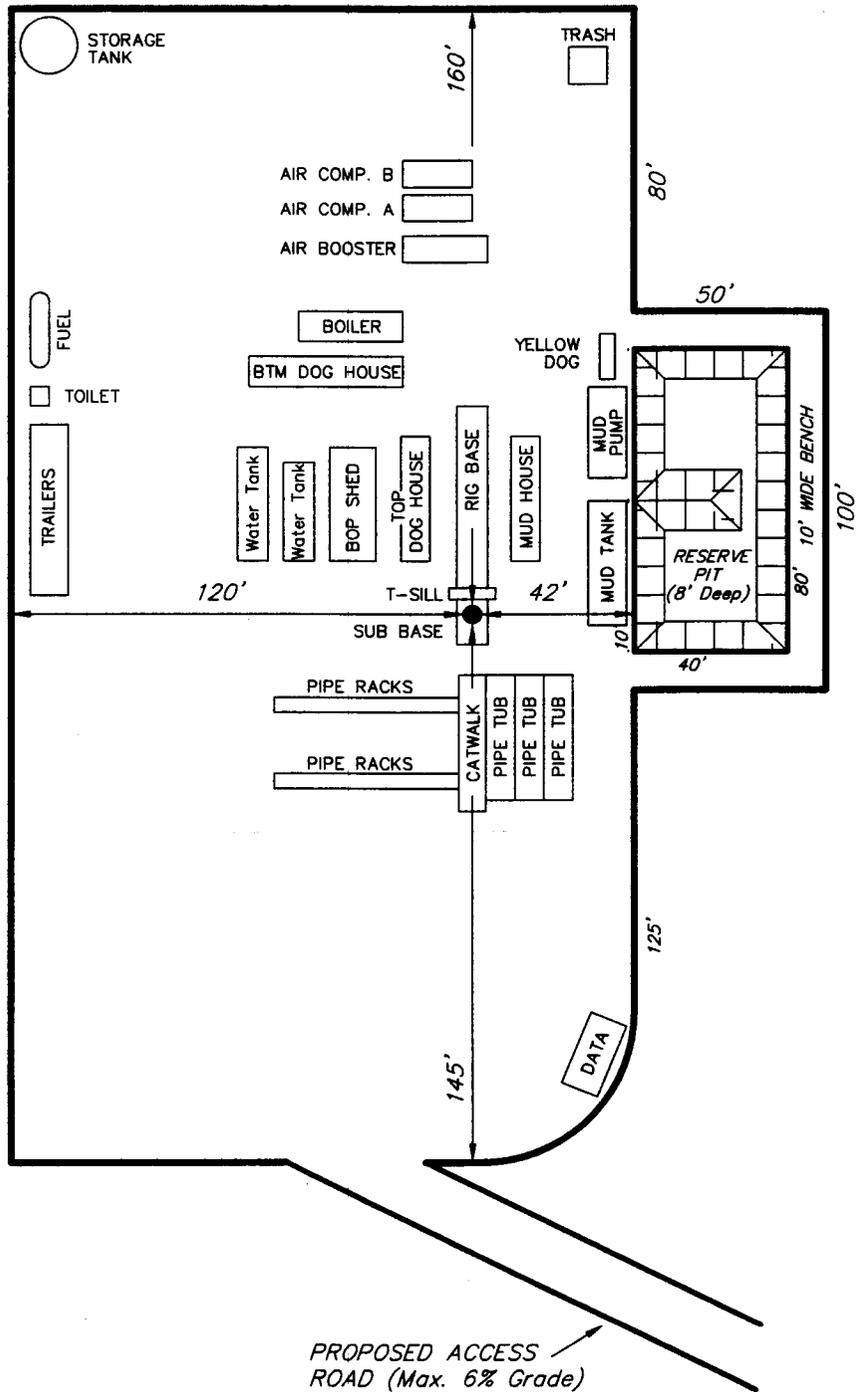
SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 7-26-01

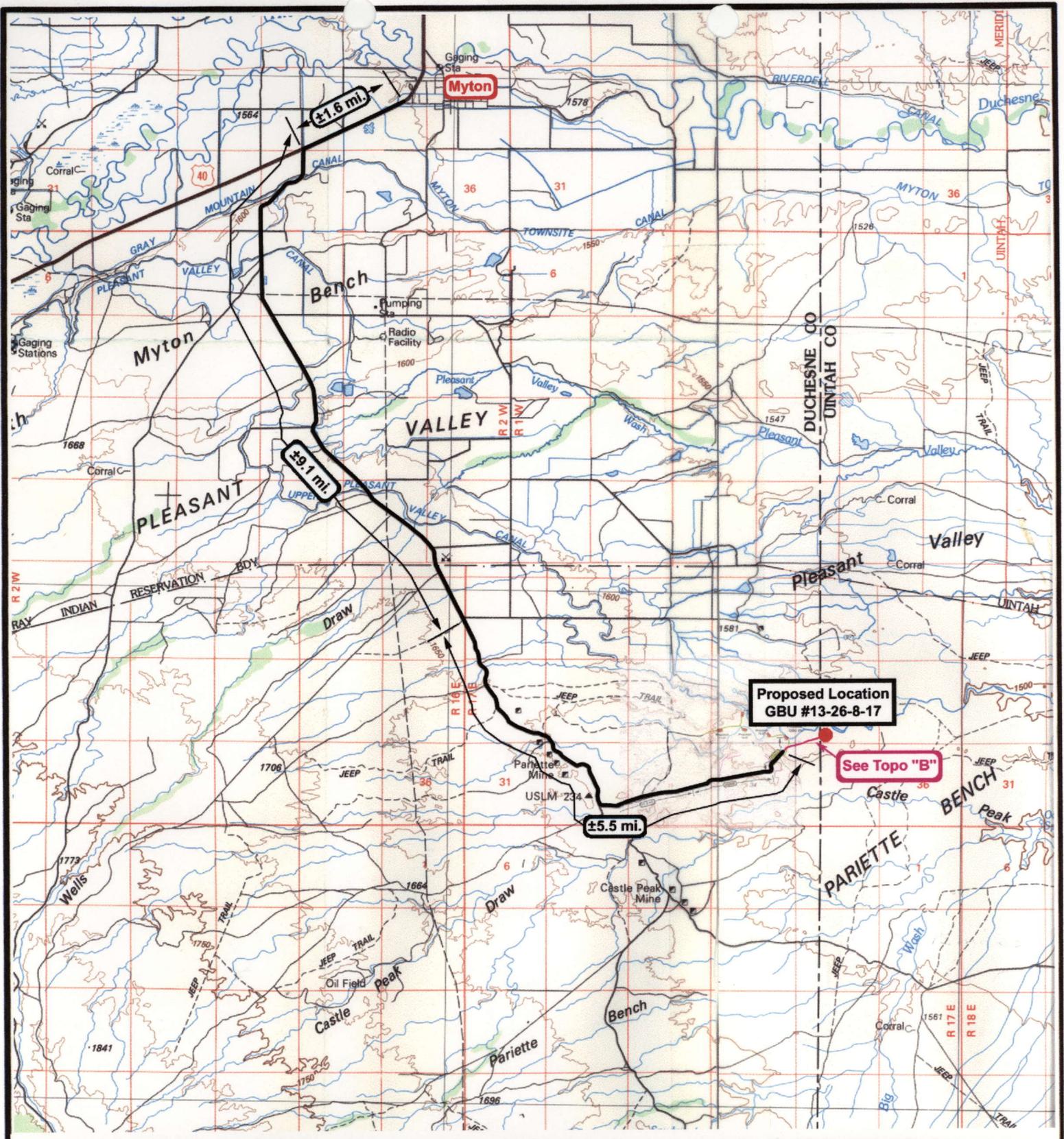
Tri State Land Surveying, Inc. (435) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY
TYPICAL RIG LAYOUT
GREATER BOUNDARY UNIT #13-26-8-17



PROPOSED ACCESS ROAD (Max. 6% Grade)

SURVEYED BY: D.J.S.	SCALE: 1" = 50'	Tri State Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 781-2501
DRAWN BY: J.R.S.	DATE: 7-26-01	



**Proposed Location
GBU #13-26-8-17**

See Topo "B"



**Greater Boundry Unit #13-26-8-17
SEC. 26, T8S, R17E, S.L.B.&M.**



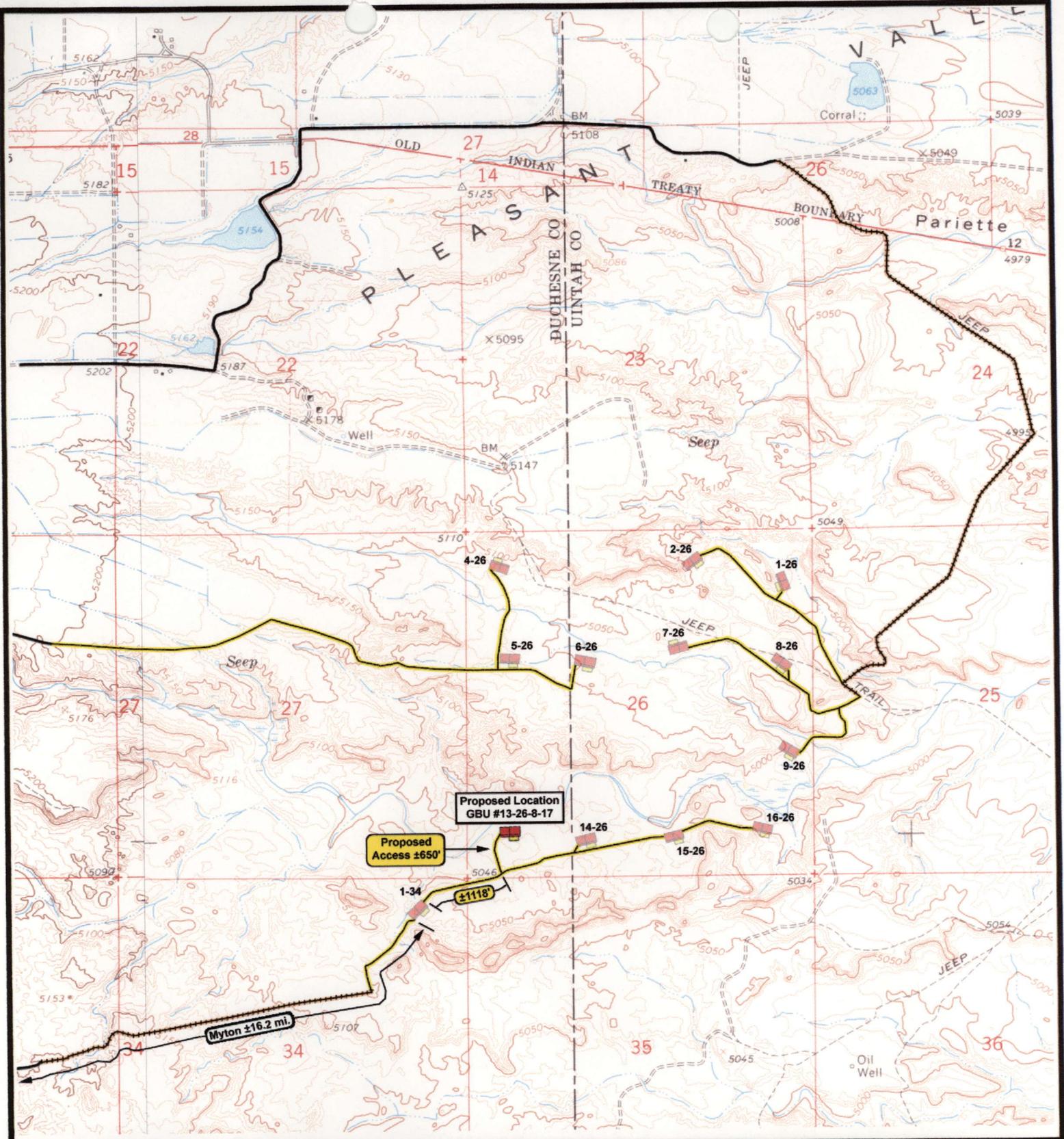
**Tri-State
Land Surveying Inc.**
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1 : 100,000
DRAWN BY: D.R.J.
DATE: 07-27-2001

Legend

— Existing Road
— Proposed Access

TOPOGRAPHIC MAP
"A"



**Greater Boundary Unit #13-26-8-17
SEC. 26, T8S, R17E, S.L.B.&M.**



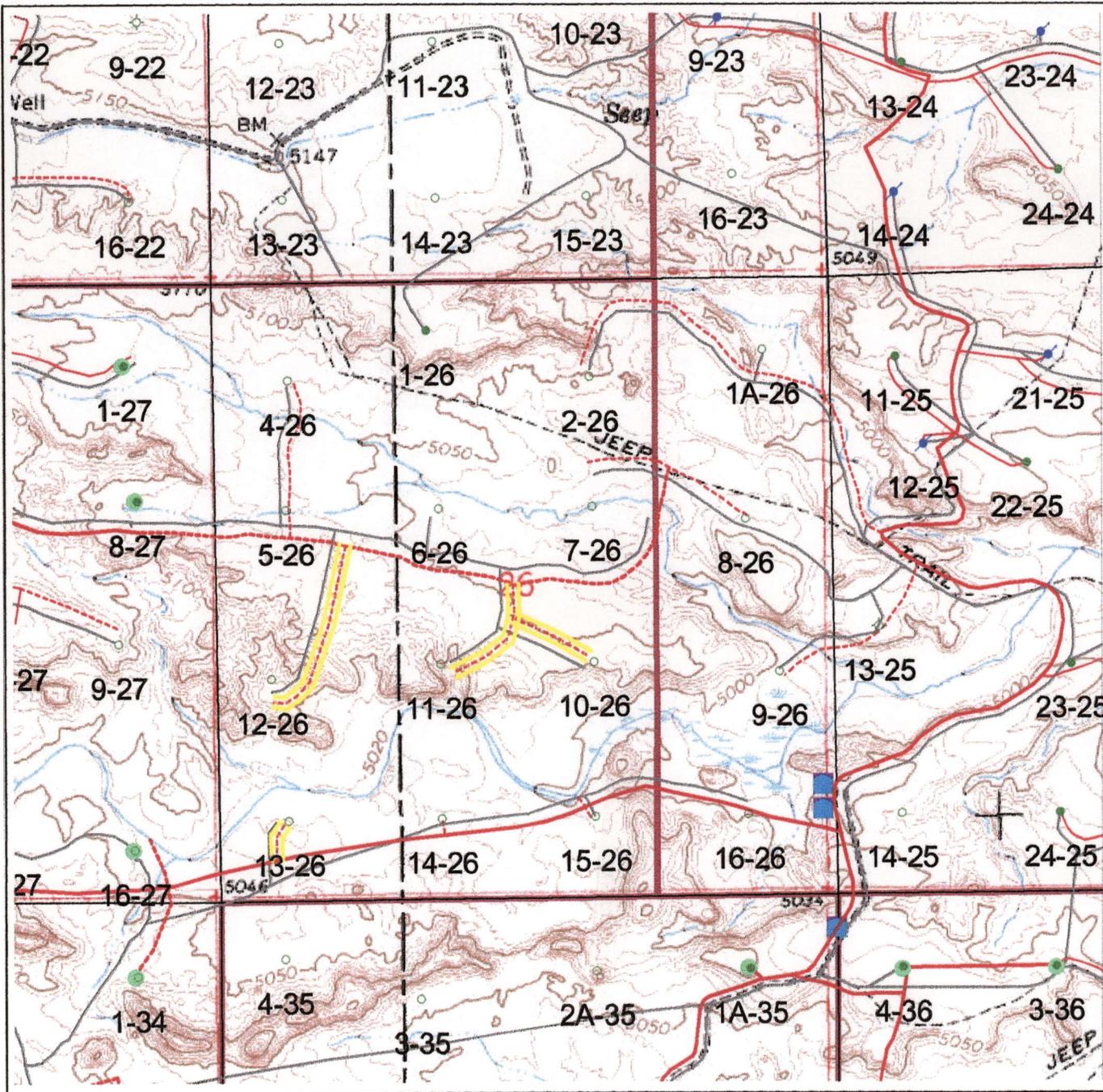
**Tri-State
Land Surveying Inc.**
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: D.R.J.
DATE: 07-27-2001

Legend	
	Existing Road
	Proposed Access
	Jeep Trail to be Upgraded

TOPOGRAPHIC MAP
"B"

PD SW



- Hillier.shp
- Pending Gasline ROW
- Approved Gasline ROW
- Compressor Stations
- Gas 10 Inch
- Gas 6 Inch and larger
- Proposed 6 Inch Gas
- Gas 4 Inch and Smaller
- Proposed Gas
- Gas Buried
- Petroglyph Gasline
- Questar Gasline
- Compressors - Other
- Gas Meters
- Roads (Digitized)**
- Paved
- Dirt
- Proposed
- Two Track
- Private
- Mining Tracts
- Participating Area 'A'
- Unit Sections**
- Existing Units
- Proposed Units



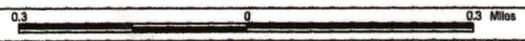
410 17th Street Suite 700
Denver, Colorado 80202
Phone: (303) 893-0102

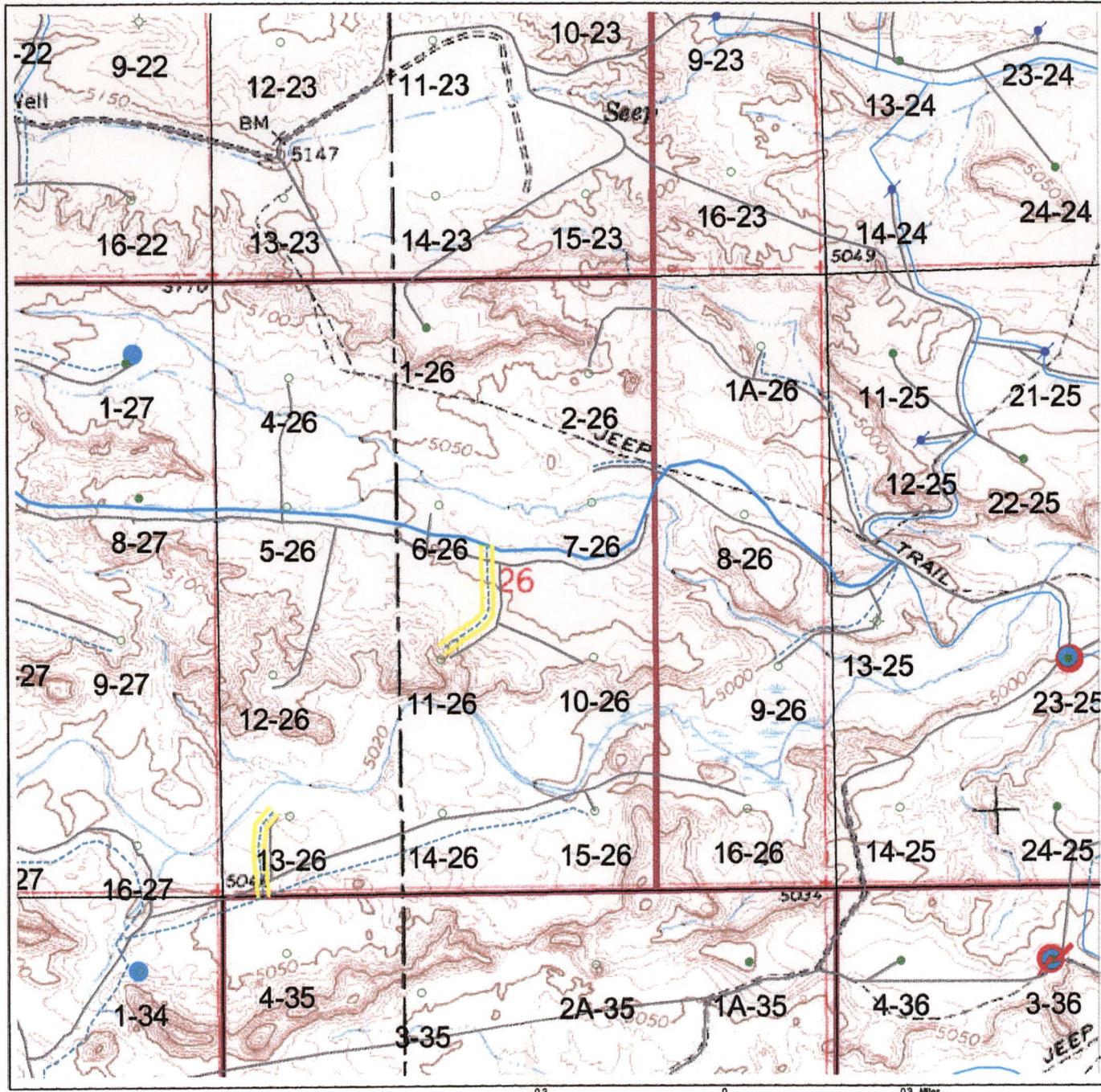
Gas Pipeline Map

UINTA BASIN, UTAH

Duchesne & Uintah Counties, Utah

D.C. Chapin





- Hiller.shp
- Water Taps
- 2001 Injection Conversion Program
- Pending Waterline ROW
- Approved Waterline ROW
- Approved Water Injection Permit
- Water Injection Permit Pending
- Water 6 Inch
- Water 4 Inch
- Water 4 Inch - High Pressure
- Water 4 Inch Poly
- Water 2 to 3 Inch
- Proposed Water
- Johnson Water Line
- Injection Stations
- Pump Stations
- Roads (Digitized)
- Paved
- Dirt
- Proposed
- Two Track
- Private
- Mining Tracts
- Participating Area 'A'
- Unit Sections
- Existing Units
- Proposed Units



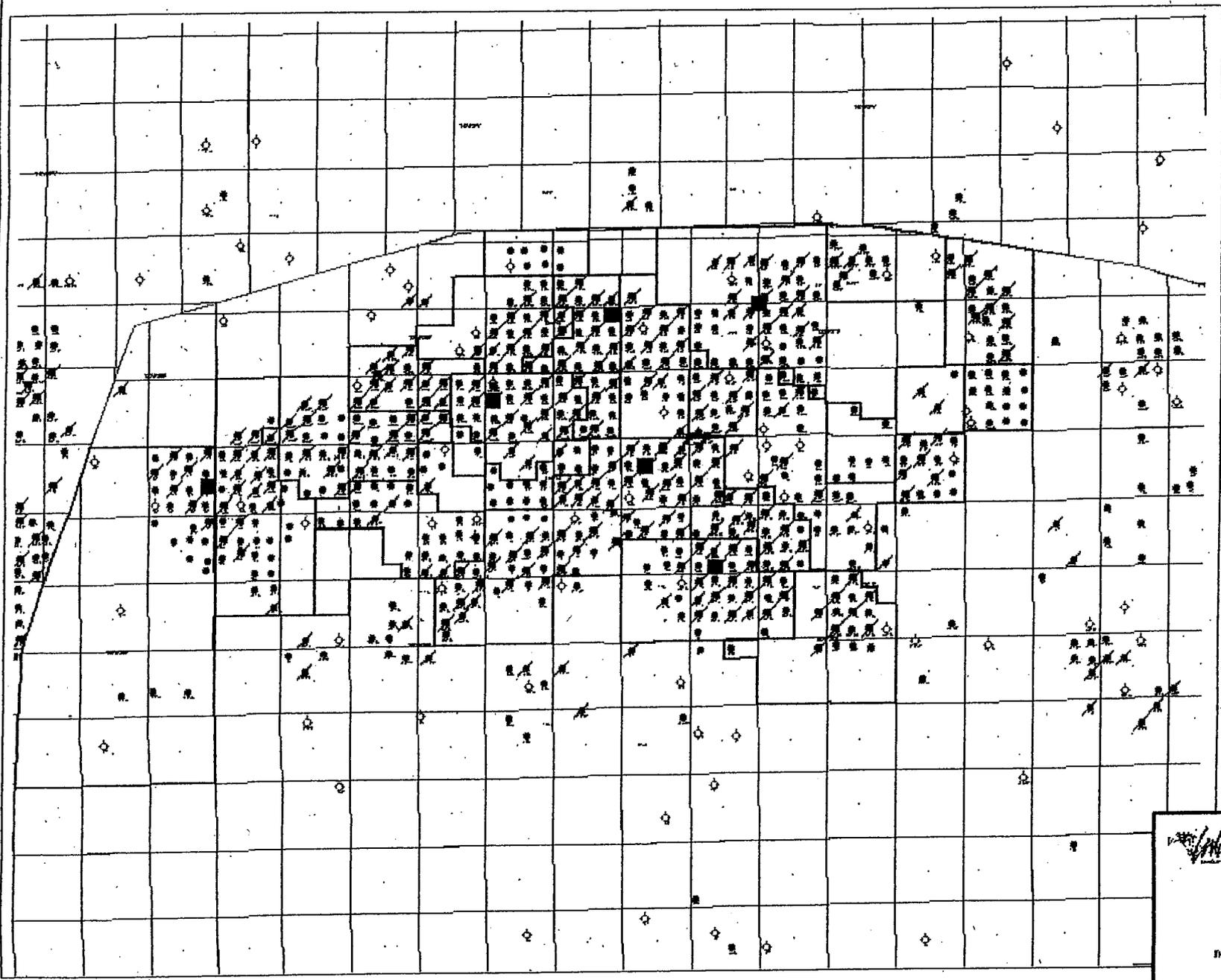
410 17th Street Suite 700
 Denver, Colorado 80202
 Phone: (303) 895-0102

Water Pipeline Map

VINTA BASIN, UTAH
 Duchesne & Uintah Counties, Utah

D.C. Chapin





- Hecton Blasts
- Well Categories
- ↗ INJ
- OIL
- ◇ DRY
- ↘ SHUTIN
- Uris



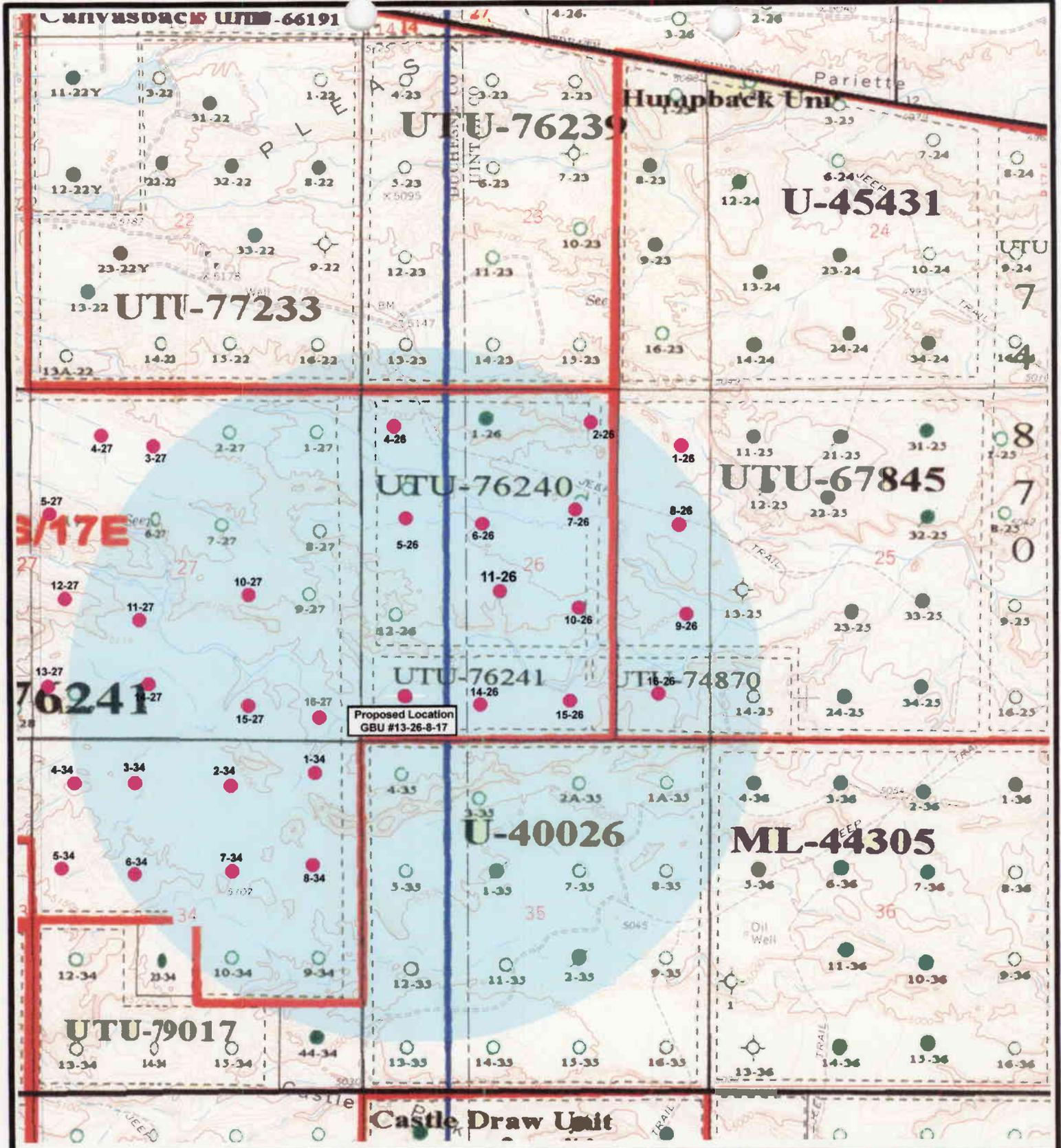
Exhibit "A"

Interland
 130 17th Street, Suite 700
 Denver, Colorado 80202
 Phone: 303.555.1022

Uinta Basin
 LINIA BASIN, UTAH
 Petroleum & Chemical Counties, U.S.A.

Scale 1:50,000 A. J. Cooper

1 □ 1 Miles



Tri-State
Land Surveying Inc.
(435) 781-2501
38 West 100 North Vernal, Utah 84078

Legend

- 2001 Wells
- One Mile Radius

Greater Boundry Unit #13-26-8-17
SEC. 26, T8S, R17E, S.L.B.&M.

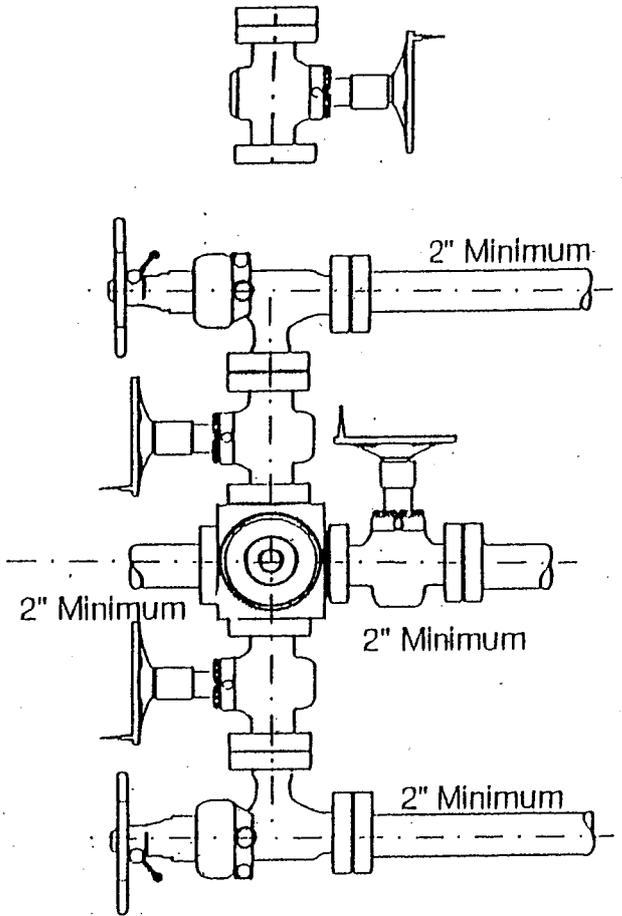
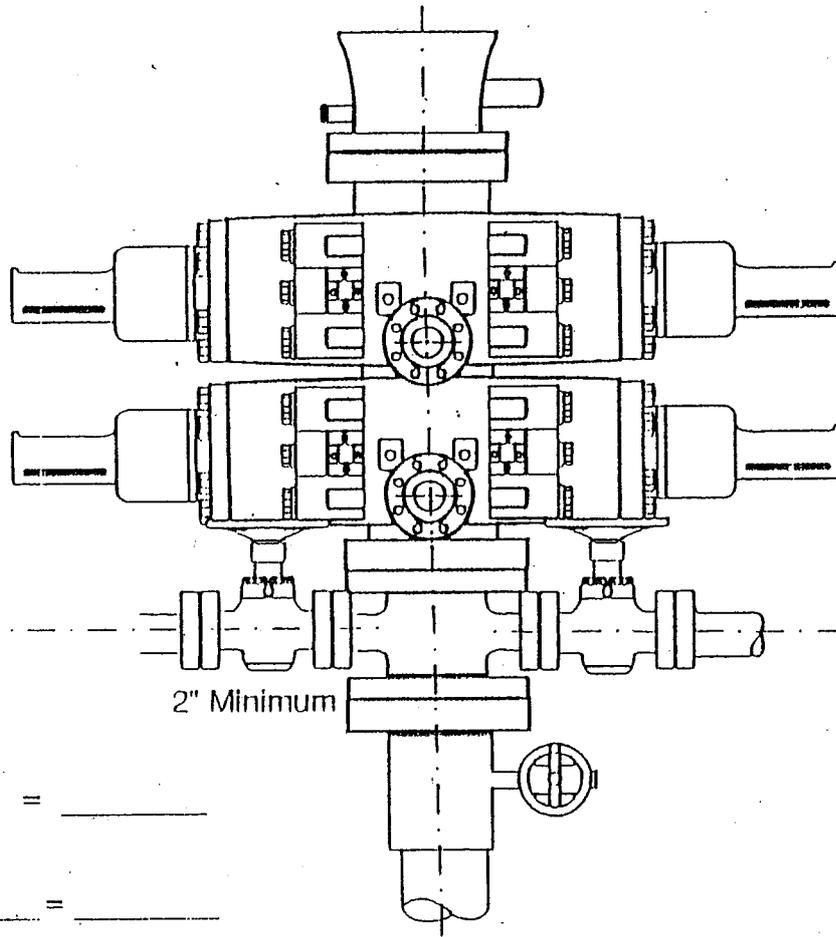
SCALE: 1" = 2000'
DRAWN BY: D.R.J.
DATE: 07-27-2001

Exhibit
"B"

RAM TYPE B.O.P.
 Make:
 Size:
 Model:

2-M SYSTEM

EXHIBIT "C"



GAL TO CLOSE
 Annular BOP = _____
 Ramtype BOP
 _____ Rams x _____ = _____
 = _____ Gal.
 _____ x 2 = _____ Total Gal.

Rounding off to the next higher
 increment of 10 gal. would require
 _____ Gal. (total fluid & nitro volume)

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/20/2001

API NO. ASSIGNED: 43-013-32307

WELL NAME: GBU 13-26-8-17
 OPERATOR: INLAND PRODUCTION (N5160)
 CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:
 SWSW 26 080S 170E
 SURFACE: 0660 FSL 0660 FWL
 BOTTOM: 0660 FSL 0660 FWL
 DUCHESNE
 MONUMENT BUTTE (105)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-76241
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 4488944)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit GREATER BOUNDARY
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 225-2 *Unit E. Enh. Rec.
Eff Date: 4-8-98
Siting: *Suspends Gen. Siting
- R649-3-11. Directional Drill

COMMENTS: Mon. Butte Field SOP, separate file.

STIPULATIONS: 1-Fed. Appl.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

September 28, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2001 Plan of Development Greater Boundary
Unit Duchesne County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2001 within the Greater Boundary Unit, Duchesne County, Utah.

(Proposed PZ Green River)

43-013-32306	GBU 12-26-8-17	Sec. 26, T8S, R17E	2142 FSL 0845 FWL
43-013-32307	GBU 13-26-8-17	Sec. 26, T8S, R17E	0660 FSL 0660 FWL
43-047-34309	GBU 10-26-8-17	Sec. 26, T8S, R17E	1993 FSL 2169 FEL
43-047-34310	GBU 11-26-8-17	Sec. 26, T8S, R17E	2242 FSL 2141 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Greater Boundary
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

Mcoulthard:mc:9-28-1



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 1, 2001

Inland Production Company
Route #3 Box 3630
Myton, UT 84052

Re: Greater Boundary Unit 13-26-8-17 Well, 660' FSL, 660' FWL, SW SW, Sec. 26, T. 8
South, R. 17 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-32307.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

for John R. Baza
Associate Director

dm

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Inland Production Company
Well Name & Number Greater Boundary Unit 13-26-8-17
API Number: 43-013-32307
Lease: UTU 76241

Location: SW SW Sec. 26 T. 8 South R. 17 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

Phone 800-227-8917

http://www.epa.gov/region08

143-013-32252

JUN - 4 2003

85; 17E;
S-34

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RE: ADDITIONAL WELL: BOUNDARY AREA PERMIT

Area Permit ID: UT20702-00000

Greater Boundary No. 1-34-8-17

Well ID: UT20702-04681

Duchesne County, Utah

Dear Mr. Gerbig:

The Inland Production Co. (Inland) request to convert a former Garden Gulch-Douglas Creek-Basal Carbonate Members of the Green River Formation oil well, the Greater Boundary No. 1-34-8-17, to a Green River Formation Garden Gulch-Douglas Creek-Basal Carbonate Members enhanced recovery injection well is hereby authorized. The proposed Greater Boundary No. 1-34-8-17 Class II enhanced recovery injection well is within the exterior boundary of the Boundary Area Permit (UT20702-00000); is within the exterior boundary of the Uintah & Ouray Indian Reservation; and the addition is being made under the authority of 40 CFR § 144.33 (c), and the terms of the Boundary Final Area Permit. Unless specifically mentioned in the enclosed Authorization For An Additional Well, all terms and conditions of the original Area Permit will apply to the conversion, operation, monitoring, and plugging of the Greater Boundary No. 1-34-8-17.

Prior to beginning injection, the Environmental Protection Agency (EPA) requires that Inland submit for review and approval (1) the results of a Part I (Internal) **mechanical integrity test** (Enclosed), (2) a **pore pressure** calculation of the injection interval, and (3) an EPA Form No. 7520-12 (**Well Rework Record** enclosed).

RECEIVED

JUN 9 2003



DIV. OF OIL, GAS & MINING
Printed on Recycled Paper



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
Phone 800-227-8917
http://www.epa.gov/region08

Ref: 8P-W-GW

JUN - 4 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

Mr. David Gerbig
Operations Engineer
Inland Production Co.
410 Seventeenth Street - Suite 700
Denver, CO 80202

RE: ADDITIONAL WELL: BOUNDARY AREA PERMIT
Area Permit ID: UT20702-00000
Greater Boundary No. 1-34-8-17
Well ID: UT20702-04681
Duchesne County, Utah

Dear Mr. Gerbig:

The Inland Production Co. (Inland) request to convert a former Garden Gulch-Douglas Creek-Basal Carbonate Members of the Green River Formation oil well, the Greater Boundary No. 1-34-8-17, to a Green River Formation Garden Gulch-Douglas Creek-Basal Carbonate Members enhanced recovery injection well is hereby authorized. The proposed Greater Boundary No. 1-34-8-17 Class II enhanced recovery injection well is within the exterior boundary of the Boundary Area Permit (UT20702-00000); is within the exterior boundary of the Uintah & Ouray Indian Reservation; and the addition is being made under the authority of 40 CFR § 144.33 (c), and the terms of the Boundary Final Area Permit. Unless specifically mentioned in the enclosed Authorization For An Additional Well, all terms and conditions of the original Area Permit will apply to the conversion, operation, monitoring, and plugging of the Greater Boundary No. 1-34-8-17.

Prior to beginning injection, the Environmental Protection Agency (EPA) requires that Inland submit for review and approval (1) the results of a Part I (Internal) mechanical integrity test (Enclosed), (2) a pore pressure calculation of the injection interval, and (3) an EPA Form No. 7520-12 (Well Rework Record enclosed).

RECEIVED

JUN 09 2003



Pursuant to Part II. Section C. Condition No. 4, (Injection Pressure Limitation), Boundary Final Area Permit UT20702-00000, the initial surface injection pressure of Class II enhanced recovery injection wells shall not exceed 1800 psig. The EPA, using a 0.70 psi/ft fracture gradient and a perforation depth of 4398 feet, calculated a maximum surface injection pressure MIP) of 1165 psig. The EPA **authorizes an initial maximum surface injection pressure for the Greater Boundary No. 1-34-8-17 that shall not exceed 1165 MIP.** The Boundary Final Area Permit, Part II. C. 4., provides an opportunity for the permittee to request an increase, or decrease, in the initial maximum surface injection pressure.

Please be aware that Inland does not have authorization to begin injection into the Greater Boundary no. 1-34-8-17 until the Prior to Commencing Injection requirements, listed above, have been submitted and evaluated by the EPA, and Inland has received written authorization to begin injection from the Assistant Regional Administrator, or the Assistant Regional Administrator's authorized representative.

Please note that the EPA has modified the Permit Authorization Identification (ID) number **from UT2702 to UT20702.** The Well ID remains UT04681. In all future correspondence to the EPA relative to the Greater Boundary No. 1-34-8-17 please use the ID number **UT20702-04681.** Reference to the Boundary Area Permit will be **UT20702-00000.**

Pages five (5) and six (6) of the enclosed AUTHORIZATION FOR AN ADDITIONAL WELL, and specifically PART III. E., describe phone numbers to be used in the event of Permit noncompliance. Please familiarize yourself with the new reporting telephone numbers.

If Inland Production Co. has any questions, please call Mr. Dan Jackson at (800) 227-8917 (Ext. 6155). Please submit the required pre-authorization to inject data to the **ATTENTION: DAN JACKSON**, at the letterhead address, citing **MAIL CODE: 8P-W-GW** very prominently.

Sincerely,

Carol L. Campbell for

Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and
Regulatory Assistance

enclosures: EPA Form No. 7520-12 (Well Rework Record)
Authorization For An Additional Well
Schematic Diagram: Proposed Conversion

cc w/enclosures: Mr. D. Floyd Wopsock
Chairman
Uintah & Ouray Business Council
Ute Indian Tribe
P.O. Box 190
Fort Duchesne, UT 84026

Ms. Elaine Willie
Environmental Coordinator
Ute Indian Tribe
P.O. Box 460
Fort Duchesne, UT 84026

Mr. Chester Mills
Superintendent
Bureau of Indian Affairs
Uintah & Ouray Indian Agency
P.O. Box 190
Fort Duchesne, UT 84026

Mr. Mike Guinn
Vice President of Operations
Inland production Company
Route 3 - Box 3630
Myton, UT 84502

Mr. Gil Hunt
Technical Services Manager
State of Utah Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, UT 84114-5801

Mr. Jerry Kenczka
Petroleum Engineer
Bureau of Land Management
Vernal District
170 South 500 East
Vernal, UT 84078



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
Phone 800-227-8917
<http://www.epa.gov/region08>

**AUTHORIZATION FOR AN ADDITIONAL WELL
TO THE
BOUNDARY AREA PERMIT: UT20702-00000**

The Environmental Protection Agency (EPA) authorizes the inclusion of an additional enhanced recovery injection well to the Boundary Area Permit No. UT20702-00000, as authorized by 40 CFR § 144.33 (c). The additional well is described as:

WELL NAME: GREATER BOUNDARY NO. 1-34-8-17
WELL PERMIT NUMBER: UT20702-04681

SURFACE LOCATION: 525' FNL & 705' FWL (NE NE)
Sec. 34 - T8S - R17E
Duchesne County, Utah.

This well is subject to all provisions of the original Boundary Area Permit No. (UT20702-00000), and subsequent Modifications, unless specifically detailed below:

UNDERGROUND SOURCE OF DRINKING WATER (USDW): The base of the USDW in the Greater Boundary No. 1-34-8-17 (**Greater Boundary No. 1-34**) occurs within the Uinta Formation approximately **60 feet** from ground level (GL). The source for the location of the base of the USDW is the STATE OF UTAH: PUBLICATION NO. 2. BASE OF MODERATELY SALINE GROUND WATER IN THE UINTA BASIN, UTAH. Surface casing was set at **311 feet** kelly bushing (KB) and cemented to the surface.

POSTPONEMENT OF CONVERSION: The permittee shall notify the Director if the Greater Boundary No. 1-34 is not converted within one (1) year of the effective date of this Authorization of an Additional Well within the Boundary Area Permit UT20702-00000. Authorization to convert and operate shall expire if the Greater Boundary No. 1-34 has not been converted, and the application for the addition of the Greater Boundary No. 1-34 will have to be resubmitted.



CONFINING ZONE REVIEW: Greater Boundary No. 1-34-8-17.

The Garden Gulch Member of the Green River Formation was added as an injection zone, by Permit Modification on May 21, 1998. In the Greater Boundary No. 1-34, the EPA identifies the confining zone directly overlying the top of the Garden Gulch as a 56-foot silty, black organic shale and argillaceous silt from **3872 feet to 3928 feet (CBL/GR)**. An EPA analysis of the Cement Bond Log/Gamma Ray (CBL/GR) indicates adequate 80% annulus bond index cement bond, **3846 feet to 3892 feet**, twenty feet of which is in the top of the confining interval. In the Greater Boundary No. 1-34, the top of the Garden Gulch Member is **3928 feet (CBL/GR)**.

An EPA analysis of the **Greater Boundary No. 1-34 CBL/GR does identify continuous 80% annulus bond** index cement bond within the Garden Gulch confining zone, pursuant to standards of Region 8 GROUND WATER SECTION GUIDANCE NO. 34: Cement Bond Logging Techniques and Interpretation. Therefore, it **has been determined** that the cement in this well **does provide** an effective barrier to significant upward movement of fluids through vertical channels adjacent to the wellbore, pursuant to 40 CFR 146.8 (a) (2).

INJECTION ZONE REVIEW: Greater Boundary No. 1-34-8-17

By Major Permit Modification No.3 (May 19, 2003), the Boundary Area Permit enhanced recovery injection interval will be an interval correlative to 4164 feet to 6515 feet in the Federal No. 1-26 "Type Well" (NE NW Sec. 226 - T8S - R17E, Duchesne County, Utah).

The correlative, and authorized, injection interval in the Greater Boundary No. 1-34-8-17 is from 3928 feet (Top of the Garden Gulch Member) to the top of the Wasatch Formation, at an estimated depth of 6280 feet.

The injectate is primarily water obtained from the Johnson Water District reservoir ((Approximately **600 mg/l total dissolved solids (TDS)**), and minimal volumes of produced Garden Gulch-Douglas Creek Members water (**12,946 mg/l TDS**). The blended injectate, from Pump Station JWL No. 2, has been analyzed (March 15, 2001) at **614 mg/l TDS**.

WELL CONSTRUCTION REVIEW: Greater Boundary No. 1-34-8-17

SURFACE CASING: 8-5/8 inch casing is set at 311 feet in a 12-1/4 inch hole, using 150 sacks of Class "G" cement circulated to the surface. The base of the USDWs are approximately 60 feet from ground level.

LONGSTRING CASING: 5-1/2 inch casing is set at 6247 feet kelly bushing (KB) in a 7-7/8 inch hole. The 5-1/2 inch casing was cemented with 350 sacks of Premium Lite II mixed with 550 sacks of 50/50 Poz.

The operator identifies the top of cement, by CBL, as 376 feet. The EPA analysis of the CBL/GR shows the shallowest interval of 80% annulus cement bond index to be from 3846 feet to 3892 feet. The confining zone overlying the Garden Gulch Member is from 3872 feet to 3928 feet.

The Greater Boundary No. 1-34 currently has perforations in the Garden Gulch-Douglas Creek-Basal Carbonate Members of the Green River Formation.

PART II. A. CONSTRUCTION REQUIREMENTS FOR ADDITIONAL WELLS

Tubing and Packer:

(Condition 3)

For injection purposes, the **Greater Boundary No. 1-34** will be equipped with 2-7/8 tubing with a packer to be set at a depth no higher than 100 feet above the top perforation.

Formation Testing and Logging

(Condition 6)

- (a) Upon conversion of the **Greater Boundary No. 1-34**, the permittee is required to determine the injection zone **fluid pore pressure** (static bottom hole pressure) prior to commencement of enhanced recovery injection operation. The results of this test shall be submitted to the EPA.
- (b) A **step-rate test (SRT)** shall be performed on the **Greater Boundary No. 1-34** within three (3) to six (6) months after injection operations are initiated. The results shall be submitted to the EPA. The permittee will contact the EPA prior to conducting the SRT to acquire the most current Guidance for conducting the SRT.

PART II. B.

Corrective Action:

As of October 2002, there is one (1) Garden Gulch-Douglas Creek-Basal Carbonate Members oil well, and two (2) Douglas Creek-Basal Carbonate Members oil wells within one-quarter (1/4) mile of the proposed injection well.

GARDEN GULCH-DOUGLAS CREEK-BASAL CARBONATE:

Greater Boundary Unit No. 16-27-8-17: (SE SE Sec. 27 - T8S - R17E)

The confining zone (3876 feet to 3942 feet), immediately above the top of the Garden Gulch Member (3942 feet), has no 80% annulus bond index cement bond.

When a fluid leak is observed at the surface of the Greater Boundary No. 16-27-8-17, the permittee will suspend injection into the Greater Boundary No. 1-34 and the well will stay suspended until the non-compliance has been resolved, and renewed injection has been approved in writing by the Director.

DOUGLAS CREEK-BASAL CARBONATE:

Greater Boundary No. 8-34-8-17: (NW SE Sec. 34 - T8S - R17E)

The confining zone (3848 feet to 3940 feet) immediately above the top of the Garden Gulch Member (3940 feet) has 80% annulus bond index cement bond (3854 feet to 3902 feet) within the confining zone.

If a fluid leak is observed at the surface of the Greater Boundary No. 8-34-8-17, the permittee will suspend injection into the Greater Boundary No. 1-34 and the well will stay suspended until the non-compliance has been resolved, and renewed injection has been approved in writing by the Director.

Greater Boundary Unit No. 2-34-8-17: (NW SE Sec. 27 - T8S - R17E)

The confining zone (3888 feet to 3972 feet), immediately above the top of the Garden Gulch Member (3972 feet), has no 80% annulus bond index cement bond.

When a fluid leak is observed at the surface of the Greater Boundary No. 2-34-8-17, the permittee will suspend injection into the Greater Boundary No. 1-34 and the well will stay suspended until the non-compliance has been resolved, and renewed injection has been approved in writing by the Director.

PART II. C.

Prior to Commencing Injection (Additional Wells):

(Condition 2)

Greater Boundary No. 1-34-8-17: This document is being issued without authority to inject. Prior to beginning injection, the operator is required to submit the following information for EPA review and written approval:

- A successful **mechanical integrity test (MIT)** demonstrating Part I (Internal) MI (Enclosed),

- a pore pressure calculation of the proposed injection zone; and an
- EPA Form No. 7520-12 (Well Rework Record, enclosed).

It has been determined that the annulus cement in this well does provide an effective barrier to significant upward movement of fluids through vertical channels adjacent to the wellbore (Part II MI), pursuant to 40 CFR 146.8 (a) (2).

Injection Interval:

(Condition 3)

Injection shall be limited to the gross Garden Gulch-Douglas Creek-Basal Carbonate Members of the Green River Formation. The authorized enhanced recovery injection interval will be from the top of the Garden Gulch Member to the top of the Wasatch Formation, i.e., 4164 feet to 6515 feet, in the Federal No. 1-26 "Type Well" (NE NW Sec. 26 T8S - R17E, Duchesne County, Utah).

In the Greater Boundary No. 1-34-8-17, the correlative authorized injection interval is 3928 feet to the top of the Wasatch Formation, which is estimated to be 6280 feet.

Injection Pressure Limitation:

(Condition 4)

Pursuant to Final Area Permit UT20702-00000, Part II. Section C. 4. (b). the maximum surface injection pressure (MIP) shall not exceed 1800 psig. The applicant submitted no data relative to a calculation of a fracture gradient (FG). From an EPA review of step-rate tests (SRTs) conducted in T8S - R17E, the EPA will calculate a maximum surface injection pressure (MIP) using a FG of 0.70 psi/.ft. Until such time that a step-rate injectivity test (SRT) has been performed, reviewed, and approved by the EPA, the EPA authorizes an initial maximum surface injection pressure (MIP) for the Greater Boundary No. 1-34-8-17 of **1165 psig**.

$$\text{MIP} = [\text{FG} - (0.433)(\text{SG}) \text{ D}]$$

$$\text{FG} = 0.70 \text{ psi/ft.}$$

$$\text{SG} = 1.005$$

$$\text{D} = 4398 \text{ feet. Top perforation.}$$

$$\text{MIP} = [0.70 - (0.433)(1.005) 4398]$$

$$\text{MIP} = \underline{\underline{1165 \text{ psig.}}}$$

Final Area Permit (UT20702-00000), has a provision whereby the operator may request an increase, or decrease, in the maximum surface injection pressure.

PART II. F.**Demonstration of Financial Responsibility:**

(Condition 1)

The applicant has chosen to demonstrate financial responsibility with a **\$1,950,000 Surety Bond and Standby Trust Agreement**, which includes the cost to Plug and Abandon the Greater Boundary No. 1-34-8-17. The documents have been reviewed and approved by the EPA.

PART III. E.**Reporting of Noncompliance:**

(Condition 10)

- (a) **Anticipated Noncompliance.** The operator shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with Permit requirements.
- (b) **Compliance Schedules.** Reports of compliance or noncompliance with or any progress reports on, interim and final requirements contained in any compliance schedule of this Permit shall be submitted **no later than thirty (30) days following** each schedule date.
- (c) **Written Notice** of any noncompliance which may endanger health or the environment **shall be provided to the Director within five (5) days** of the time the operator becomes aware of the noncompliance. The written notice shall contain a description of the noncompliance and its cause; the period of noncompliance including dates and times; if the noncompliance has not been corrected the anticipated time it is expected to continue; and steps taken or planned to prevent or reduce recurrence of the noncompliance.

Twenty-Four Hour Noncompliance Reporting:

(Condition 11)

The operator shall report to the Director any noncompliance which may endanger health or environment. Information shall be provided, either orally or by leaving a message, within twenty-four (24) hours from the time the operator becomes aware of the circumstances by telephoning 1.800.227.8917 and asking for the EPA Region VIII UIC Program Compliance and Enforcement Director, or by contacting the Region VIII Emergency Operations Center at 303.293.1788 if calling from outside the EPA Region VIII. The following information shall be included in the verbal report:

- (a) Any monitoring or other information which indicates that any contaminant may cause an endangerment to a USDW.

- (b) Any noncompliance with a Permit condition or malfunction of the injection system which may cause fluid migration into or between underground sources of drinking water.

Oil Spill and Chemical Release Reporting:

(Condition 12)

The operator shall comply with all other reporting requirements related to oil spills and chemical releases or other potential impacts to human health or the environment by contacting the **National response Center (NRC)** at **1.800.424.8802**, or 202.267.2675, or through the NRC website at <http://www.nrc.uscg.mil/index.htm>.

Other Noncompliance:

(Condition 13)

The operator shall report all other instances of noncompliance not otherwise reported at the time monitoring reports are submitted. The reports shall contain the information listed in Part III. E. 10. c. ii. of this Permit.

Other Information:

(Condition 14)

Where the operator becomes aware that he failed to submit any relevant facts in the Permit application, or submitted incorrect information in a Permit application, or in any report to the Director, the operator shall submit such correct facts or information within two (2) weeks of the time such information became known to him.

APPENDIX C

PLUGGING AND ABANDONMENT: The Plugging and Abandonment (P&A) Plan (Application Attachment Q-2) submitted by the applicant has been reviewed, and approved by the EPA. The P&A Plan is consistent with EPA requirements to protect all USDWs. The permittee will place 9.2 ppg plugging gel or bentonite mud between all cement plugs.

PLUG NO. 1: Set a 100-foot cement plug on top of a cast iron bridge plug set at 4300 feet.

PLUG NO. 2: Set a cement plug inside of the 5-1/2 inch casing from 2000 feet to 2200 feet.

PLUG NO. 3: Set a cement plug, on the inside of the 5-1/2 inch casing, from the surface to 361 feet. Base of USDW is 60 feet.

PLUG NO. 4: Set a cement plug, on the backside of the 5-1/2 inch casing, from surface to a depth 361 feet.

This authorization for well conversion of the Greater Boundary No. 1-34-8-17 to an enhanced recovery injection well becomes effective upon signature.

Date: _____



Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

Greater Boundary Unit #1-34-8-17

Spud Date: 8/15/2001
Well is waiting on completion
GL: 5060' KB: 5070'

Initial Production:

Proposed Injection Wellbore Diagram

FRAC JOB

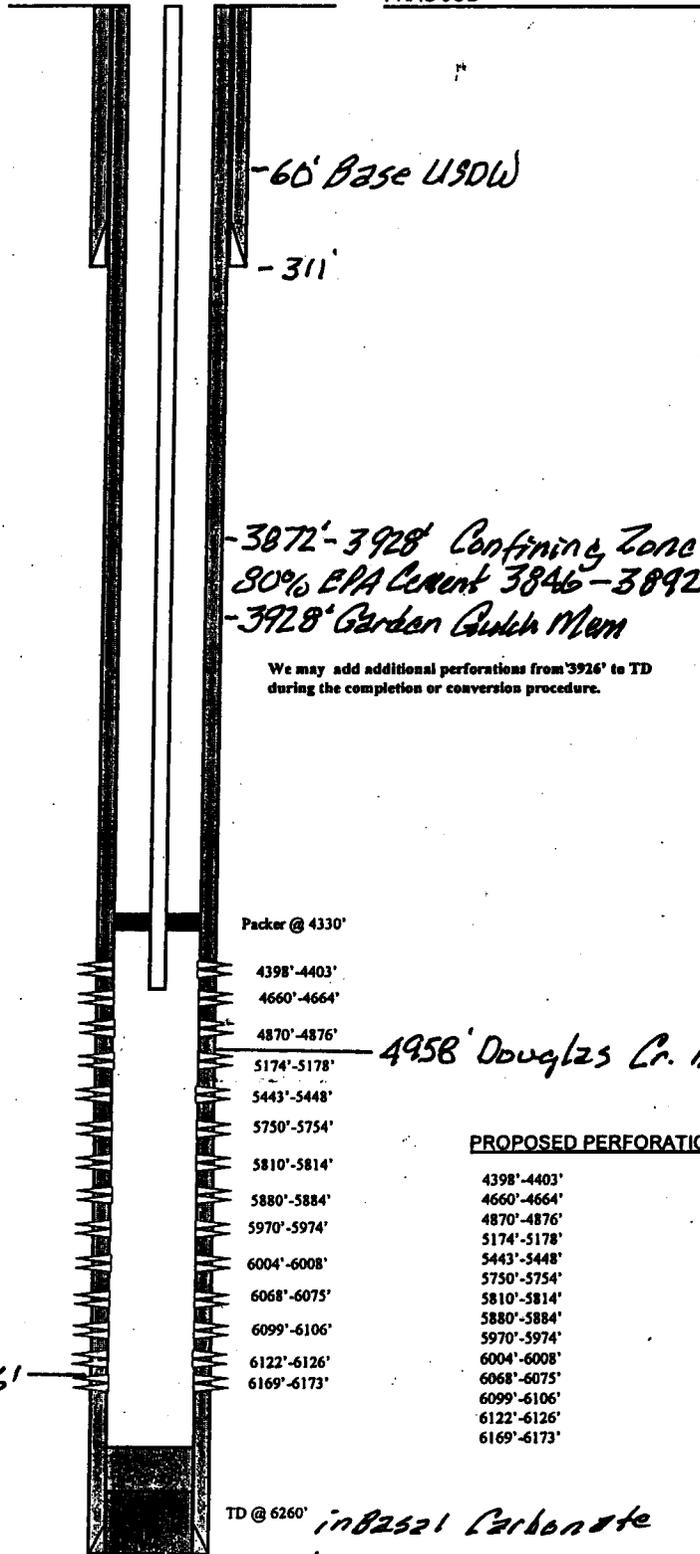
SURFACE CASING

CSG SIZE: 8-5/8"
GRADE: J-55
WEIGHT: 24#
LENGTH: 7 jts. (304.48')
DEPTH LANDED: 311.48'
HOLE SIZE: 12-1/4"
CEMENT DATA: 150 sxs Class "G" cmt

PRODUCTION CASING

CSG SIZE: 5-1/2"
GRADE: J-55
WEIGHT: 15.5#
LENGTH: 141 jts. (6252.16')
DEPTH LANDED: 6247.76'
HOLE SIZE: 7-7/8"
CEMENT DATA: 350 sk Prem. Lite II mixed & 550 sxs 50/50 POZ.
CEMENT TOP AT: 376' per CBL

TUBING



-60' Base USOW
-311'
-3872'-3928' Confining Zone
80% CPA Cement 3846-3892'
-3928' Garden Gulch Mem

We may add additional perforations from 3926' to TD during the completion or conversion procedure.

Packer @ 4330'

- 4398'-4403'
- 4660'-4664'
- 4870'-4876'
- 5174'-5178'
- 5443'-5448'
- 5750'-5754'
- 5810'-5814'
- 5880'-5884'
- 5970'-5974'
- 6004'-6008'
- 6068'-6075'
- 6099'-6106'
- 6122'-6126'
- 6169'-6173'

4958' Douglas Cr. Mem

PROPOSED PERFORATION RECORD

- 4398'-4403'
- 4660'-4664'
- 4870'-4876'
- 5174'-5178'
- 5443'-5448'
- 5750'-5754'
- 5810'-5814'
- 5880'-5884'
- 5970'-5974'
- 6004'-6008'
- 6068'-6075'
- 6099'-6106'
- 6122'-6126'
- 6169'-6173'

Basal Carbonate Mem 6156'

TD @ 6260' in Basal Carbonate
← 6280' Est. Top Warsaw Fm.



Inland Resources Inc.
Greater Boundary Unit #1-34-8-17
525' FNL & 705' FEL
NENE Section 34-T8S-R17E
Duchesne Co, Utah
API #43-013-32252; Lease #UTU-76241

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

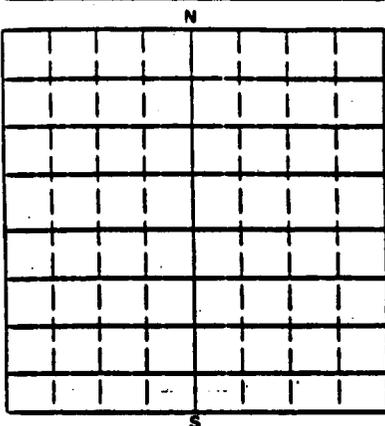


WELL REWORK RECORD

NAME AND ADDRESS OF PERMITTEE

NAME AND ADDRESS OF CONTRACTOR

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT - 640 ACRES



STATE	COUNTY	PERMIT NUMBER
SURFACE LOCATION DESCRIPTION 1/4 of 1/4 of 1/4 of 1/4 of Section Township Range		
LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT Surface Location ____ ft. from (N/S) ____ Line of quarter section and ____ ft. from (E/W) ____ Line of quarter section		
WELL ACTIVITY <input type="checkbox"/> Brine Disposal <input type="checkbox"/> Enhanced Recovery <input type="checkbox"/> Hydrocarbon Storage Lease Name _____	Total Depth Before Rework	TYPE OF PERMIT <input type="checkbox"/> Individual <input type="checkbox"/> Area Number of Wells ____ Well Number _____
	Total Depth After Rework	
	Date Rework Commenced	
	Date Rework Completed	

WELL CASING RECORD - BEFORE REWORK

Casing		Cement		Perforations		Acid or Fracture Treatment Record
Size	Depth	Sacks	Type	From	To	

WELL CASING RECORD - AFTER REWORK (Indicate Additions and Changes Only)

Casing		Cement		Perforations		Acid or Fracture Treatment Record
Size	Depth	Sacks	Type	From	To	

DESCRIBE REWORK OPERATIONS IN DETAIL
USE ADDITIONAL SHEETS IF NECESSARY

WIRE LINE LOGS, LIST EACH TYPE

Log Types	Logged Intervals

CERTIFICATION

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32).

NAME AND OFFICIAL TITLE (Please type or print)

SIGNATURE

DATE SIGNED



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

SUBJECT: GROUND WATER SECTION GUIDANCE NO. 39
Pressure testing injection wells for Part I (internal)
Mechanical Integrity

FROM: Tom Pike, Chief
UIC Direct Implementation Section

TO: All Section Staff
Montana Operations Office

Introduction

The Underground Injection Control (UIC) regulations require that an injection well have mechanical integrity at all times (40 CFR 144.28 (f)(2) and 40 CFR 144.51 (q)(1)). A well has mechanical integrity (40 CFR 146.8) if:

- (1) There is no significant leak in the tubing, casing or packer; and
- (2) There is no significant fluid movement into an underground source of drinking water (USDW) through vertical channels adjacent to the injection wellbore.

Definition: Mechanical Integrity Pressure Test for Part I. A pressure test used to determine the integrity of all the downhole components of an injection well, usually tubing, casing and packer. It is also used to test tubing cemented in the hole by using a tubing plug or retrievable packer. Pressure tests must be run at least once every five years. If for any reason the tubing/packer is pulled, the injection well is required to pass another mechanical integrity test of the tubing casing and packer prior to recommencing injection regardless of when the last test was conducted. Tests run by operators in the absence of an EPA inspector must be conducted according to these procedures and recorded on either the attached form or an equivalent form containing the necessary information. A pressure recording chart documenting the actual annulus test pressures must be attached to the form.

This guidance addresses making a determination of Part I of Mechanical Integrity (no leaks in the tubing, casing or packer). The Region's policy is: 1) to determine if there are significant leaks in the tubing, casing or packer; 2) to assure that the casing can withstand pressure similar to that which



would be applied if the tubing or packer fails; 3) to make the Region's test procedure consistent with the procedures utilized by other Region VIII Primacy programs; and 4) to provide a procedure which can be easily administered and is applicable to all class I and II wells. Although there are several methods allowed for determining mechanical integrity, the principal method involves running a pressure test of the tubing/casing annulus. Region VIII's procedure for running a pressure test is intended to aid UIC field inspectors who witness pressure tests for the purpose of demonstrating that a well has Part I of Mechanical Integrity. The guidance is also intended as a means of informing operators of the procedures required for conducting the test in the absence of an EPA inspector.

Pressure Test Description

Test Frequency

The mechanical integrity of an injection well must be maintained at all times. Mechanical integrity pressure tests are required at least every five (5) years. If for any reason the tubing/packer is pulled, however, the injection well is required to pass another mechanical integrity test prior to recommencing injection regardless of when the last test was conducted. The Regional UIC program must be notified of the workover and the proposed date of the pressure test. The well's test cycle would then start from the date of the new test if the well passes the test and documentation is adequate. Tests may be required on a more frequent basis depending on the nature of the injectate and the construction of the well (see Section guidance on MITs for wells with cemented tubing and regulations for Class I wells).

Region VIII's criteria for well testing frequency is as follows:

1. Class I hazardous waste injection wells; initially [40 CFR 146.68(d)(1)] and annually thereafter;
2. Class I non-hazardous waste injection wells; initially and every two (2) years thereafter, except for old permits (such as the disposal wells at carbon dioxide extraction plants which require a test at least every five years);
3. Class II wells with tubing, casing and packer; initially and at least every five (5) years thereafter;
4. Class II wells with tubing cemented in the hole; initially and every one (1) or two (2) years thereafter



depending on well specific conditions (See Region VIII UIC Section Guidance #36);

5. Class II wells which have been temporarily abandoned (TAd) must be pressure tested after being shut-in for two years; and
6. Class III uranium extraction wells; initially.

Test Pressure

To assure that the test pressure will detect significant leaks and that the casing is subjected to pressure similar to that which would be applied if the tubing or packer fails, the tubing/casing annulus should be tested at a pressure equal to the maximum allowed injection pressure or 1000 psig whichever is less. The annular test pressure must, however, have a difference of at least 200 psig either greater or less than the injection tubing pressure. Wells which inject at pressures of less than 300 psig must test at a minimum pressure of 300 psig, and the pressure difference between the annulus and the injection tubing must be at least 200 psi.

Test Criteria

1. The duration of the pressure test is 30 minutes.
2. Both the annulus and tubing pressures should be monitored and recorded every five (5) minutes.
3. If there is a pressure change of 10 percent or more from the initial test pressure during the 30 minute duration, the well has failed to demonstrate mechanical integrity and should be shut-in until it is repaired or plugged.
4. A pressure change of 10 percent or more is considered significant. If there is no significant pressure change in 30 minutes from the time that the pressure source is disconnected from the annulus, the test may be completed as passed.

Recordkeeping and Reporting

The test results must be recorded on the attached form. The annulus pressure should be recorded at five (5) minute intervals. Tests run by operators in the absence of an EPA inspector must be conducted according to these procedures and recorded on the attached form or an equivalent form and a pressure recording



chart documenting the actual annulus test pressures must be attached to the submittal. The tubing pressure at the beginning and end of each test must be recorded. The volume of the annulus fluid bled back at the surface after the test should be measured and recorded on the form. This can be done by bleeding the annulus pressure off and discharging the associated fluid into a five gallon container. The volume information can be used to verify the approximate location of the packer.

Procedures for Pressure Test

1. Scheduling the test should be done at least two (2) weeks in advance.
2. Information on the well completion (location of the packer, location of perforations, previous cement work on the casing, size of casing and tubing, etc.) and the results of the previous MIT test should be reviewed by the field inspector in advance of the test. Regional UIC Guidance #35 should also be reviewed. Information relating to the previous MIT and any well workovers should be reviewed and taken into the field for verification purposes.
3. All Class I wells and Class II SWD wells should be shut-in prior to the test. A 12 to 24-hour shut-in is preferable to assure that the temperature of the fluid in the wellbore is stable.
4. Class II enhanced recovery wells may be operating during the test, but it is recommended that the well be shut-in if possible.
5. The operator should fill the casing/tubing annulus with inhibited fluid at least 24 hours in advance, if possible. Filling the annulus should be undertaken through one valve with the second valve open to allow air to escape. After the operator has filled the annulus, a check should be made to assure that the annulus will remain full. If the annulus can not maintain a full column of fluid, the operator should notify the Director and begin a rework. The operator should measure and report the volume of fluid added to the annulus. If not already the case, the casing/tubing valves should be closed, at least, 24 hours prior to the pressure test.

Following steps are at the well:

6. Read tubing pressure and record on the form. If the



well is shut-in, the reported information on the actual maximum operating pressure should be used to determine test pressures.

7. Read pressure on the casing/tubing annulus and record value on the form. If there is pressure on the annulus, it should be bled off prior to the test. If the pressure will not bleed-off, the guidance on well failures (Region VIII UIC Section Guidance #35) should be followed.
8. Ask the operator for the date of the last workover and the volume of fluid added to the annulus prior to this test and record information on the form.
9. Hook-up well to pressure source and apply pressure until test value is reached.
10. Immediately disconnect pressure source and start test time (If there has been a significant drop in pressure during the process of disconnection, the test may have to be restarted). The pressure gages used to monitor injection tubing pressure and annulus pressure should have a pressure range which will allow the test pressure to be near the mid-range of the gage. Additionally, the gage must be of sufficient accuracy and scale to allow an accurate reading of a 10 percent change to be read. For instance, a test pressure of 600 psi should be monitored with a 0 to 1000 psi gage. The scale should be incremented in 20 psi increments.
11. Record tubing and annulus pressure values every five (5) minutes.
12. At the end of the test, record the final tubing pressure.
13. If the test fails, check the valves, bull plugs and casing head close up for possible leaks. The well should be retested.
14. If the second test indicates a well failure, the Region should be informed of the failure within 24 hours by the operator, and the well should be shut-in within 48 hours per Headquarters guidance #76. A follow-up letter should be prepared by the operator which outlines the cause of the MIT failure and proposes a potential course of action. This report should be submitted to EPA within five days.



15. Bleed off well into a bucket, if possible, to obtain a volume estimate. This should be compared to the calculated value obtained using the casing/tubing annulus volume and fluid compressibility values.
16. Return to office and prepare follow-up.

Alternative Test Option

While it is expected that the test procedure outlined above will be applicable to most wells, the potential does exist that unique circumstances may exist for a given well that precludes or makes unsafe the application of this test procedure. In the event that these exceptional or extraordinary conditions are encountered, the operator has the option to propose an alternative test or monitoring procedures. The request must be submitted by the operator in writing and must be approved in writing by the UIC-Implementation Section Chief or equivalent level of management.

Attachment



Mechanical Integrity Test

Casing or Annulus Pressure Mechanical Integrity Test

U.S. Environmental Protection Agency
Underground Injection Control Program, UIC Direct Implementation Program 8P-W-GW
999 18th Street, Suite 500 Denver, CO 80202-2466

EPA Witness: _____ Date: ____ / ____ / ____

Test conducted by: _____

Others present: _____

Well Name: _____	Type: ER SWD	Status: AC TA UC
Field: _____		
Location: _____	Sec: ____ T ____ N/S R ____ E/W	County: _____ State: ____
Operator: _____		
Last MIT: ____ / ____ / ____	Maximum Allowable Pressure: _____	PSIG

Is this a regularly scheduled test? Yes No

Initial test for permit? Yes No

Test after well rework? Yes No

Well injecting during test? Yes No If Yes, rate: _____ bpd

Pre-test casing/tubing annulus pressure: _____ psig

MIT DATA TABLE	Test #1	Test #2	Test #3
TUBING PRESSURE			
Initial Pressure	psig	psig	psig
End of test pressure	psig	psig	psig
CASING / TUBING ANNULUS PRESSURE			
0 minutes	psig	psig	psig
5 minutes	psig	psig	psig
10 minutes	psig	psig	psig
15 minutes	psig	psig	psig
20 minutes	psig	psig	psig
25 minutes	psig	psig	psig
30 minutes	psig	psig	psig
minutes	psig	psig	psig
minutes	psig	psig	psig
RESULT	<input type="checkbox"/> Pass <input type="checkbox"/> Fail	<input type="checkbox"/> Pass <input type="checkbox"/> Fail	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

Does the annulus pressure build back up after the test? Yes No

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. UTU-76241	
1b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR Inland Production Company			7. UNIT AGREEMENT NAME Greater Boundary	
3. ADDRESS OF OPERATOR Route #3 Box 3630, Myton, UT 84052 Phone: (435) 646-3721			8. FARM OR LEASE NAME WELL NO 13-26-8-17	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface SW/SW 660' FWL 660' FSL At proposed Prod. Zone			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 16.5 miles southeast of Myton, Utah			10. FIELD AND POOL OR WILDCAT Monument Butte	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE. FT. (Also to Approx. 660' f/lease line & 660' f/unit line)	16. NO. OF ACRES IN LEASE 1,920.00	17. NO. OF ACRES ASSIGNED TO THIS WELL 40		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE. FT. Approx. 1,667'	19. PROPOSED DEPTH 6500'	20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5023.7' GR		22. APPROX. DATE WORK WILL START* 4th Quarter 2001		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
Refer to Monument Butte Field SOP's Drilling Program/Casing Design				

**Inland Production Company proposes to drill this well in accordance with the attached exhibits.
The Conditions of Approval are also attached.**

**RECEIVED
SEP 20 2001**

**RECEIVED
JUN 11 2003**

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Mandie Croxier* TITLE Permit Clerk DATE 9-19-01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

NOTICE OF APPROVAL

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Howard B. Clough* TITLE Assistant Field Manager Mineral Resources DATE 05/30/2003

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Greater Boundary 13-26-8-17

API Number: 43-013-32307

Lease Number: U-76241

Location: SWSW Sec. 26 T.08S R. 17E

Agreement: Greater Boundary Unit

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Casing Program and Auxiliary Equipment

As a minimum, the usable water resources and other resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at ± 264 ft.

**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

-No construction or drilling shall be allowed during the waterfowl nesting season (March 1 to May 25).

-In order to protect the Pariette 100 year floodplain, a dike capable of containing 150% of the total capacity of all storage vessels shall be constructed around the entire location.

-In order to protect the Pariette drainage from sedimentation contamination, a silt fence or other suitable device, shall be constructed between the well location and the drainage.



September 12, 2003

State of Utah
Division of Oil, Gas & Mining
Attn: Diana Mason
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: One Year Extensions on Applications for Permit to Drill.

Dear Diana:

Enclosed find one year extensions on Applications for Permit to Drill. We have already received a one year extension on the GBU 13-26-8-17 and would like to extend it for another year, since the approval that we have received from the BLM is not due to expire yet. If you have any questions, feel free to give me a call.

Sincerely,


Mandie Crozier
Regulatory Specialist

enclosures

RECEIVED

SEP 15 2003

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-013-32307
Well Name: GBU 13-26-8-17
Location: SW/SW Section 26, T8S R17E
Company Permit Issued to: Inland Production Company
Date Original Permit Issued: 10/1/2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

M. Crozier
Signature

9/12/2003
Date

Title: Regulatory Specialist

Representing: Inland Production Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-76241

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
GREATER BOUNDARY

8. Well Name and No.
GBU 13-26-8-17

9. API Well No.
43-013-32307

10. Field and Pool, or Exploratory Area
MONUMENT BUTTE

11. County or Parish, State
DUCHESNE COUNTY, UT.

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
INLAND PRODUCTION COMPANY

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
660 FSL 660 FWL SW/SW Section 26, T8S R17E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other Permit Extension
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Inland Production Company requests to extend the Permit to Drill this well for one year.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 09-22-03
By: [Signature]

COPY SENT TO OPERATOR
Date: 09-22-03
Initials: CHD

14. I hereby certify that the foregoing is true and correct

Signed Mandie Crozier Title Regulatory Specialist Date 9/12/2003
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by _____ Title _____ Date SEP 15 2003

Conditions of approval, if any:

CC: Utah DOGM

RECEIVED
SEP 15 2003

DIV. OF OIL, GAS & MINING



Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Newfield Production Company
Filing Number: 41530400

Articles of Amendment

September 02, 2004

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 10, 2004.



A handwritten signature in black ink, appearing to read "G. Connor".

Secretary of State

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
INLAND PRODUCTION COMPANY

FILED
In the Office of the
Secretary of State of Texas
SEP 02 2004
Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "TBCA"), the undersigned corporation adopts the following articles of amendment to the articles of incorporation:

ARTICLE 1 – Name

The name of the corporation is Inland Production Company.

ARTICLE 2 – Amended Name

The following amendment to the Articles of Incorporation was approved by the Board of Directors and adopted by the shareholders of the corporation on August 27, 2004.

The amendment alters or changes Article One of the Articles of Incorporation to change the name of the corporation so that, as amended, Article One shall read in its entirety as follows:

"ARTICLE ONE – The name of the corporation is Newfield Production Company."

ARTICLE 3 – Effective Date of Filing

This document will become effective upon filing.

The holder of all of the shares outstanding and entitled to vote on said amendment has signed a consent in writing pursuant to Article 9.10 of the TBCA, adopting said amendment, and any written notice required has been given.

IN WITNESS WHEREOF, the undersigned corporation has executed these Articles of Amendment as of the 1st day of September, 2004.

INLAND RESOURCES INC.

By: Susan G. Riggs
Susan G. Riggs, Treasurer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-76241

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
GREATER BOUNDARY

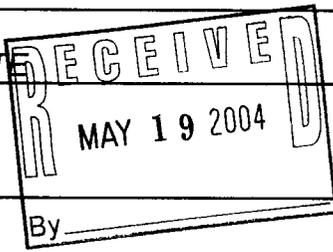
8. Well Name and No.
GREATER BOUNDARY 13-26-8-17

9. API Well No.
43-013-32307

10. Field and Pool, or Exploratory Area
MONUMENT BUTTE

11. County or Parish, State
DUCHESNE COUNTY, UT.

SUBMIT IN TRIPLICATE



1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
INLAND PRODUCTION COMPANY

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
660 FSL 660 FWL SW/SW Section 26, T8S R17E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Permit Extension
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Inland Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 5/30/03 (expiration 5/30/04).

RECEIVED
JUL 27 2004

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct

Signed Mandie Crozier Title Regulatory Specialist Date 5/18/2004

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by Karl Johnson Title Patroleum Engineer Date 7/22/04

Conditions of approval, if any:

CC: Utah DOGM

**Inland Production Company
APD Extension**

Well: GBU 13-26-8-17

Location: SWSW Sec. 26, T8S, R17E

Lease: U-76241

CONDITIONS OF APPROVAL

An extension for the referenced APD is granted with the following conditions:

1. The extension will expire 05/30/05
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood of this office at (435) 781-4486

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-77339

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

FEDERAL 16-20-8-16

9. API Well No.

43-013-32474

10. Field and Pool, or Exploratory Area

NORTH TRAVIS

11. County or Parish, State

DUCHESNE COUNTY, UT.

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

INLAND PRODUCTION COMPANY

3. Address and Telephone No.

Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)

563 FSL 580 FEL SE/SE Section 20, T8S R16E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other **Permit Extension**

Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Inland Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 10/2/03 (expiration 10/2/04).

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 09-20-04
By: [Signature]

COPIES SENT TO OPERATOR
Date: 9-21-04
Initials: CBP

**RECEIVED
SEP 14 2004**

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed Mandie Crozier Title Regulatory Specialist Date 9/27/04
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

CC: Utah DOGM

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-013-32474
Well Name: Federal 16-20-8-16
Location: SE/SE Section 20, T8S R16E
Company Permit Issued to: Inland Production Company
Date Original Permit Issued: 10/2/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No NA

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Mandi Crozier
Signature

9/27/2004
Date

Title: Regulatory Specialist

Representing: Inland Production Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-76241

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
GREATER BOUNDARY

8. Well Name and No.
GREATER BOUNDARY 13-26-8-17

9. API Well No.
43-013-32307

10. Field and Pool, or Exploratory Area
MONUMENT BUTTE

11. County or Parish, State
DUCHESNE COUNTY, UT.

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

INLAND PRODUCTION COMPANY

3. Address and Telephone No.

Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)

660 FSL 660 FWL SW/SW Section 26, T8S R17E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Permit Extension
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Inland Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 10/1/01 (expiration 9/22/04).

Approved by the
District Division of
Oil, Gas and Mining

Date: 09-20-04

By: [Signature]

RECEIVED
SEP 16 2004

14. I hereby certify that the foregoing is true and correct

Signed Mandie Crozier Title Regulatory Specialist Date 9/13/04
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

CC: Utah DOGM

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-013-32307
Well Name: Greater Boundary 13-26-8-17
Location: SW/SW Section 26, T8S R17E
Company Permit Issued to: Inland Production Company
Date Original Permit Issued: 10/1/2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No NA

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Markie Crozier
Signature

9/13/2004
Date

Title: Regulatory Specialist

Representing: Inland Production Company

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SEP 16 2004
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DIV. OF OIL, GAS & MINING
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United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>

IN REPLY REFER TO:

3106

(UT-924)

September 16, 2004

Memorandum

To: Vernal Field Office

From: Acting Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the name change recognized by the Utah State Office. We have updated our records to reflect the merger from Inland Production Company into Newfield Production Company on September 2, 2004.

Michael Coulthard
Acting Chief, Branch of
Fluid Minerals

Enclosure

1. State of Texas Certificate of Registration

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare

UTSL-	15855	61052	73088	76561	
071572A	16535	62848	73089	76787	
065914	16539	63073B	73520A	76808	
	16544	63073D	74108	76813	
	17036	63073E	74805	76954	63073X
	17424	63073O	74806	76956	63098A
	18048	64917	74807	77233	68528A
UTU-	18399	64379	74808	77234	72086A
	19267	64380	74389	77235	72613A
02458	26026A	64381	74390	77337	73520X
03563	30096	64805	74391	77338	74477X
03563A	30103	64806	74392	77339	75023X
04493	31260	64917	74393	77357	76189X
05843	33992	65207	74398	77359	76331X
07978	34173	65210	74399	77365	76788X
09803	34346	65635	74400	77369	77098X
017439B	36442	65967	74404	77370	77107X
017985	36846	65969	74405	77546	77236X
017991	38411	65970	74406	77553	77376X
017992	38428	66184	74411	77554	78560X
018073	38429	66185	74805	78022	79485X
019222	38431	66191	74806	79013	79641X
020252	39713	67168	74826	79014	80207X
020252A	39714	67170	74827	79015	81307X
020254	40026	67208	74835	79016	
020255	40652	67549	74868	79017	
020309D	40894	67586	74869	79831	
022684A	41377	67845	74870	79832	
027345	44210	68105	74872	79833	
034217A	44426	68548	74970	79831	
035521	44430	68618	75036	79834	
035521A	45431	69060	75037	80450	
038797	47171	69061	75038	80915	
058149	49092	69744	75039	81000	
063597A	49430	70821	75075		
075174	49950	72103	75078		
096547	50376	72104	75089		
096550	50385	72105	75090		
	50376	72106	75234		
	50750	72107	75238		
10760	51081	72108	76239		
11385	52013	73086	76240		
13905	52018	73087	76241		
15392	58546	73807	76560		

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

9/1/2004

FROM: (Old Operator): N5160-Inland Production Company Route 3 Box 3630 Myton, UT 84052 Phone: 1-(435) 646-3721	TO: (New Operator): N2695-Newfield Production Company Route 3 Box 3630 Myton, UT 84052 Phone: 1-(435) 646-3721
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CA No.

Unit:

GREATER BOUNDARY (GR)

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
GBU 4-26-8-17	26	080S	170E	4301332289	12391	Federal	OW	P
GBU 5-26-8-17	26	080S	170E	4301332290	12391	Federal	WI	A
GBU 12-26-8-17	26	080S	170E	4301332306	12391	Federal	OW	P
GBU 13-26-8-17	26	080S	170E	4301332307		Federal	OW	APD
FEDERAL 1-26	26	080S	170E	4304731953	12391	Federal	WI	A
GBU 15-27-8-17	27	080S	170E	4301332246	12391	Federal	OW	P
GBU 16-27-8-17	27	080S	170E	4301332247	12391	Federal	OW	P
GB 1-28-8-17	28	080S	170E	4301332318	12391	Federal	WI	A
GB FED 11-29-8-17	29	080S	170E	4301332518		Federal	OW	APD
GB FED 10-29-8-17	29	080S	170E	4301332520		Federal	OW	APD
GBU 1-34-8-17	34	080S	170E	4301332252	12391	Federal	OW	P
GBU 2-34-8-17	34	080S	170E	4301332253	12391	Federal	OW	P
GBU 4-34-8-17	34	080S	170E	4301332254	12391	Federal	OW	P
GBU 5-34-8-17	34	080S	170E	4301332255	12391	Federal	OW	P
GBU 6-34-8-17	34	080S	170E	4301332256	12391	Federal	OW	P
GBU 7-34-8-17	34	080S	170E	4301332257	12391	Federal	OW	P
GBU 8-34-8-17	34	080S	170E	4301332277	12391	Federal	OW	S
GBU 3-34-8-17	34	080S	170E	4301332292	12391	Federal	OW	P
GB 9-34-8-17	34	080S	170E	4301332331	12391	Federal	OW	P
GB 10-34-8-17	34	080S	170E	4301332332	12391	Federal	OW	P

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OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/15/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/15/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/23/2005
- Is the new operator registered in the State of Utah: YES Business Number: 755627-0143
- If **NO**, the operator was contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
6b. Inspections of LA PA state/fee well sites complete on: waived

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: na/

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 2/23/2005

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 2/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/28/2005
3. Bond information entered in RBDMS on: 2/28/2005
4. Fee/State wells attached to bond in RBDMS on: 2/28/2005
5. Injection Projects to new operator in RBDMS on: 2/28/2005
6. Receipt of Acceptance of Drilling Procedures for APD/New on: waived

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 0056

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 61BSBDH2912

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919
2. The **FORMER** operator has requested a release of liability from their bond on: n/a*
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

*Bond rider changed operator name from Inland Production Company to Newfield Production Company - received 2/23/05



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

August 12, 2005

Mandie Crozier
Newfield Production Co.
Route 3 Box 3630
Myton, UT 84052

Re: Notification of Expiration
Well No. GBU 13-26-8-17
SWSW, Sec. 26, T8S, R17E
Uintah County, Utah
Lease No. UTU-76241
Greater Boundary II (GR)

Dear Ms. Crozier:

The Application for Permit to Drill the above-referenced well was approved on May 30, 2003. Inland Production Company requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until May 30, 2005. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Wilcken
Legal Instruments Examiner

cc: UDOGM

RECEIVED
AUG 22 2005
DIV. OF OIL, GAS & MINING



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 6, 2005

Mandy Crozier
Newfield Production Co
Route 3 Box 3630
Myton, UT 84052

Re: APD Rescinded –GBU 13-26-8-17 Sec. 26, T.8S, R. 17E
Duchesne County, Utah API No. 43-013-32307

Dear Ms. Crozier:

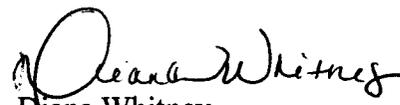
The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 1, 2001. On September 26, 2002, September 22, 2003 and September 20, 2004 the Division granted a one-year APD extension .

On August 22, 2005 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM is being returned. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 6, 2005.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal